

SEP 8 1925

LIBRARY  
UNIVERSITY OF MICHIGAN

# AMERICAN MANAGEMENT REVIEW

Volume XIV

SEPTEMBER, 1925

Number 9

## In This Issue

### The Members' Forum

Supervision of Salesmen: A Vital Problem in Management.

### The Management Index

Abstracts and Descriptive Notes of Company Activities Including

Financial Management

Production Management

Office Management

Sales Management

### Survey of Books for Executives

Labor Policy of the United States Steel Corporation, CHARLES A.

GULICK, JR., PH.D.

Protective Labor Legislation, ELIZABETH FAULKNER BAKER.

Man and His Affairs, WALTER N. POLAKOV.

The Women's Garment Workers, LOUIS LEVINE, PH.D.

J. Ramsay MacDonald (1923-1925), ICONOCLAST.

Fifty Cents Per Copy

Five Dollars Per Year.

Copyright, 1925

PUBLISHED MONTHLY BY THE

AMERICAN MANAGEMENT ASSOCIATION  
20 VESEY STREET - - - - - NEW YORK, N. Y.

Entered as second class matter March 26, 1925, at the Post Office at New York, N. Y., under the act of March 3, 1879.

# AMERICAN MANAGEMENT ASSOCIATION

## BOARD OF DIRECTORS

### President

SAM A. LEWISOHN, *Vice-President and Treasurer*, Miami Copper Company.

### Vice-President

CHARLES R. HOOK, *Vice-President and General Manager*, American Rolling Mill Company.

### Vice-President—in charge of Financial Executives Division

L. F. MUSIL, *Treasurer*, Cities Service Company.

### Vice-President—in charge of Office Executives Division.

M. B. FOLSOM, *Assistant to the President*, Eastman Kodak Company.

### Vice-President—in charge of Production Executives Division

FRANK P. COX, *Manager*, West Lynn Works, General Electric Company.

### Vice-President—in charge of Sales Executives Division

C. K. WOODBRIDGE, *President*, Dictaphone Corporation.

C. S. CHING, *Supervisor of Industrial Relations*, United States Rubber Company.

HENRY W. COOK, *Vice-President*, Northwestern National Life Insurance Company.

HENRY S. DENNISON, *President*, Dennison Manufacturing Company.

C. R. DOOLEY, *Manager, Personnel and Training*, Standard Oil Company of New Jersey.

DWIGHT T. FARNHAM, *Manager, Industrial Department*, Peat, Marwick, Mitchell & Co.

STANLEY P. FARWELL, *Vice-President and Director*, Business Research Corporation.

R. B. FLERSHEM, *Vice-President—Sales*, American Radiator Company.

E. K. HALL, *Vice-President*, American Telephone and Telegraph Company.

E. C. JOHNSON, *President*, H. A. Johnson Company.

W. W. KINCAID, *President*, The Spirella Company, Inc.

ELISHA LEE, *Vice-President*, Pennsylvania Railroad Company.

D. W. K. PEACOCK, *Personnel Director*, White Motor Company.

R. S. QUINBY, *Service Manager*, Hood Rubber Company.

ACHESON SMITH, *Vice-President and General Manager*, Acheson Graphite Company.

PERCY S. STRAUS, *Vice-President*, R. H. Macy & Company, Inc.

F. L. SWEETSER, *General Manager*, Dutchess Manufacturing Company.

ARTHUR H. YOUNG, *Industrial Relations Counsel*, Curtis, Fosdick & Belknap.

### Treasurer

H. B. BERGEN, *Manager of Personnel Department*, Henry L. Doherty & Company.

### Managing Director and Secretary

W. J. DONALD.....20 Vesey St., New York, N. Y.

# AMERICAN MANAGEMENT REVIEW

*September, 1925*

## THE MEMBERS' FORUM

### Supervision of Salesmen: A Vital Problem in Management

Of the four fields of management, financial, office, production, and sales, the last has received the least in workable scientific methods. Yet this field of management so directly influences costs and profits, that it can scarcely be said that the financial field is far in advance, destitute as it is of measuring rods for covering the cost or value of sales effort. It was natural that those engaged in the work of developing better managerial methods should begin where conditions were as uniform as possible, where the workers were under one roof, and where their work was more or less organized—where control existed. These conditions are found in the factory and the office to a much more satisfactory degree than in the distribution or sales end of any business. It is also natural that where scientific work has been begun and certain improvements made, that other scientists follow, and consequently the management methods that were initiated in the office and factory have grown and resulted in many benefits, in reducing the cost of manufacture, the cost of office overhead, in improving conditions for workers, and in producing a better article for the consumer.

#### Sales Cost to the Consumer

A large proportion of cost to the consumer, however, is the sales cost. In this field is the greatest wastage of people, of ability, and of money. In no other field of management would scientific methods pay such large dividends as in this field. This applies to the management of the so called inside-salesmen where the buyer establishes the contact, but more particularly to

the outside salesman, who has to seek his buyers, and it is in this latter type of management that the problem is most vital.

### Difficulties in Selling Conditions

The conditions are more difficult, however. Market conditions, style, the variations in buyers, the variations in products, the extent of territory, all tend to make the selling conditions less uniform, more fluid, less constant, and oftentimes there is whim instead of organized effort as the point of departure.

In the sales field of management some contributions have been made in the way of analysis of the salesman's job and in selection of salesmen. There are a few persons who have been able to comprehend the sales job and at the same time have sufficient ability as educators to train salesmen in the theoretical or content part of the job. The vast majority of salesmen however are not adequately selected, are not sufficiently trained, and consequently the success or failure of a salesman depends largely on his own ability by trial and error methods to get a knowledge of the selling job and the best selling methods, or his own luck in having been selected by a good manager or supervisor who can pass on to him methods that have measurably succeeded. So the sales cost of everything that is sold includes the cost of this expensive hit or miss method of acquiring the necessary knowledge and technique of selling.

### Selection and Training of Salesmen

The key man in the solution of this problem is the one in operating charge of salesmen. He may be called a Branch Office Manager, a Supervisor, or have some other title, but his job is commonly defined as the man who must find salesmen, select them, train them, *and direct, supervise and stimulate them*. Frequently the solution would be much easier, if the manager or supervisor had been more carefully chosen, but often he is promoted because of his sales record to become a Supervisor of Salesmen, when he really has no innate gift for attracting or developing men, and often is given no training in this part of his job. So, whereas the would-be salesman finds it difficult to learn to sell with practically no assistance, the Manager or Supervisor finds it still more difficult to develop men to sell with no aid, except his own experience in selling. That the job is difficult is attested to by the large number of failures among salesmen and among managers, the terrific turnover in sales organizations. This turnover is exceedingly expensive, expensive to the man who tries and fails, to the company marketing the product, and to the ultimate consumer.



Owing to the facts that already certain scientific work has been done in analyzing the salesman's job, in developing methods of selecting salesmen, and in training them before advancing them to the front line trenches, and that some of the more progressive sales organizations are now utilizing these methods which have been thus far evolved, we can assume that these fields of sales administration will be cultivated by the pioneer, and that as they show results in improved distribution, that other sales organizations will adopt them.

### Developing the New Salesman

The field of supervision, however, is practically untouched. And this is certainly the most important portion of all sales management because it covers the whole career of the salesman except that small part given to preparation. Supervision takes the salesman after he has been selected and trained in a preliminary way, and carries him on to the point of success, mediocrity, or failure. It is that part of management which takes the new salesman as he is, develops him, teaches him to utilize his ability in rendering sales service, motivates him to put forth his best effort, directs the utilization of his time and energies so that from the start he can make a sufficient income to permit him to stay in the business, and directs him so that eventually he becomes an executive of his resources. This is a huge undertaking for a man experienced and trained and most difficult for the man who has concentrated on selling only.

In the last few years a little attention has been given to this phase of sales administration and as a result several managers' manuals have been developed in various lines of industry. Those that have made any contributions whatsoever to scientific management have been developed from first-hand investigations of the managerial or supervisory methods in vogue. Usually these surveys of methods have included branch offices, agencies, and other recognized divisions of outside salesmen that were operating successfully and some that were failing. In only a few cases were there adequate records so that a particular method could be tested. If the organization as a whole was operating well and sales were large, the methods were supposed for the most part to be good. If on the other hand the organization was failing, the methods were taken as unsuccessful ones. While these conclusions were not refined enough to be satisfactory, the methods employed of taking first-hand investigations of managerial practices evolved by the trial and error method, and differentiating between those found in successful sales groups and those in the unsuccessful ones, have contributed something to the science of supervision. They have given us a knowledge of the manager's or supervisor's job, that we didn't have before, and have enabled us to display the methods

which are deemed successful for the purpose of giving a manager a bird's-eye view of his job and in addition some methods which have worked.

In dealing with this problem of supervision it should be remembered that we are dealing with human chemicals, and that the ways of supervision will be as numerous as the different kinds of chemicals involved. Managers, salesmen, prospects, clients are all human chemical problems. However, there are fundamental principles, at work and the whole problem is to discover these, so that a manager can work by principle rather than by the hunch or guess method that is operating for the most part at present.

### Solving the Problem by the "Case" Method

One contributor to this field of scientific management has worked on the basis that the problem could best be solved by the "case" method, meaning by that the method employed in building up the science of law, where each type of case has been handled separately and all the decisions and legal matter pertaining to that type of case has been assembled. He has evolved a system whereby the salesman can record the complete information concerning each prospect in such form that he can utilize it to the fullest extent in serving the prospect, and in such form that the manager can utilize it in two ways, in assisting the salesman to serve a particular prospect and in training, directing, and motivating the salesman.

This contribution is interesting because in addition to analyzing the salesman's problem and setting up the machinery for his day's work, and at the same time analyzing the manager's job and setting up the mechanism whereby he can direct his energies in supervision in the right channels, it provides the ways and means of studying the sales efforts from the standpoint of improving supervision and calculating the costs.

The way of science is to make observations and collect facts, to analyze these, to draw deductions and eventually to find the underlying principles, or to formulate a hypothesis and by the collection of facts and observations to prove it is true. And the way of progress in industry, after the law has been attained, is to standardize and avoid the expensiveness of learning over again and again a thing that is known.

The steam engine, the printing press, the automobile, the telegraph, the telephone, the radio—are all typical examples of this process. We need a similar science in supervision. Observations of existing practices, collection of methods, the correlation of these with success in selling, the deductions for revealing the most successful methods, and then adequate training so that these methods may become standardized and operative for the improvement of selling and industry as a whole.

GERTRUDE V. COPE,  
*Walter V. Davidson Corporation.*

# THE MANAGEMENT INDEX

## Abstracts and News Items

### GENERAL MANAGEMENT

#### System for Budgeting Co-ordinated Sales and Production

Several charts and tables illustrate how a definite schedule of co-ordination will safeguard profits, and a list of steps in controlling a business through a budget is given. The first requisite of successful budgetary control is organization. The business should be divided into the four main groups of engineering, finance, manufacturing and sales. After organization the next essential result to secure is the co-ordination of sales and production. This may be accomplished best by a monthly production schedule meeting. Fourteen points are listed as benefits gained from the above practice. By Edward H. Tingley. *Management and Administration*, August, 1925, p. 67:4.

#### Why I Always Ask: "What Will It Do to Our Capital Ratio?"

The following ten steps outlined for reducing capital ratio are applied in the business of the Wagner Electric Corporation: 1. Avoid excursions into trade practices which the long-established businesses of the country have found do not pay in the long run. 2. Be ever watchful of accounts receivable. 3. Require a definite number of turns for all stock that is warehoused at shipping points. 4. Watch the packed stock at the factory. 5. Strike a careful balance between set-up time and capital requirements in deciding upon production quantities. 6. Simplify materials; stand-

ardize on the fewest possible kinds of stock. 7. Centralize storerooms as far as possible. 8. Make a special effort to reduce spoilage. 9. Emphasize the capital value of floor space. 10. Get department heads to think about capital ratio—give them the figures. By W. A. Layman. *System*, August, 1925, p. 153:5.

#### Gaging a Complicated Situation by a Simple Graphic Chart

This article discusses the use of the co-efficient of dispersion as a measure of any situation in which evenness of flow or maintenance of a set standard is the goal. Most inequality in effort or in output represents inefficient use of plant, equipment, and personnel, for an enterprise must be organized to take care of its peak loads. The more the peaks can be leveled off and the depressions filled in, the more efficient becomes the effort of the organization. The co-efficient of dispersion serves as a measure of efficiency by decreasing as the ideal of even flow is approached, and increasing as inequalities become greater.

In addition the substitution of one mathematical figure, plotted on a simple line chart, for a complicated curve which is difficult to evaluate. The simple curve is based upon a mathematically accurate measure of the deviations from a normal or ideal condition, and tells the executive at a glance whether conditions are improving or growing worse. It also allows a definite danger line to be set on the chart,

so that the executive need not give any consideration to the situation until the danger line is approached. There is also the possibility of setting a definite mark at which the men responsible for controlling the situation may aim. *Harvard Business Review*, July, 1925. p. 475:6.

#### Central Control to Cut Costs

Banks, like industrial concerns, are learning that the application of scientific management to all matters of operation is a primary means of securing the largest possible production on a minimum amount of outlay. Scientific management applied to the problems of the Guardian Trust Company of Cleveland, Ohio, cut its direct operating expenses 18.8 per cent in 1924, as compared with the figures for 1920, and it now conducts its business with three per cent fewer employees than five years ago, even though its volume of business has increased 82 per cent.

Descriptions follow of the most outstanding means in the various departments of the bank which are used to hold its operating costs to a minimum. By Arthur L. Irish. *The Burroughs Clearing House*, August, 1925, p. 12:3½.

#### Spreading Purchases Among Low Bidders

Under certain conditions spreading purchases of materials among several of the lowest bidders may prove advantageous. In cases where it is inadvisable to manufacture for stock and where pronounced style tendencies place a premium on quick delivery, this policy appears to be justified. Furthermore, such a policy will enable a concern to keep its inventory of materials at a minimum during a falling or uncertain market.

There are many conditions, on the other hand, under which it is detrimental to split purchases. It should be recognized that the plan involves additional expense under any circumstances. In cases where the necessity of reducing expenses to an absolute minimum is of primary importance

and the dangers in so doing are not excessive, the plan is not practicable. There will be instances where the cost of utilizing this plan will be out of proportion to the benefits to be derived from a larger volume of sales. It is of vital importance, in any event, that the cost involved in splitting orders be determined and considered in every detail before the method is adopted as a general policy. If satisfactory delivery, prompt invoicing, a high quality of product, and satisfactory service are assured with a single source of supply, there does not seem to be justification for a change in the purchasing policy. Under such conditions a single source should be sufficient. *Harvard Business Review*, July, 1925, p. 501:5.

#### The Human Element in Material Control

Too often accounting is looked upon as chiefly a matter of figures the accuracy and correctness of which must be checked and proven. It is far from being just a branch of mathematics. Its most valuable work lies in the direction of interpreting the results of business operations for the purpose of using such interpretations in the formulation of business policies and in the measurement and determination of the relative efficiencies of operation. This work at all points comes up against the human element, and in this article there is pointed out the relation of the human element to one phase of accounting work. By Charles A. Williams. *National Association of Cost Accountants: Official Publications*, August 1, 1925. 7 pages.

#### Piecemeal Buying Called a Menace

Propaganda of various kinds and from many sources for the purpose of encouraging the purchase of merchandise by the retailer on the hand-to-mouth system is meeting with strong opposition on the part of manufacturers, especially those whose product is of a seasonal nature. They cannot gauge their production today with any degree of accuracy. Whatever way

they turn they are up against a gambler's problem, and this will continue as long as the retailer insists on practicing his present system of buying.

Buying planned on a basis of time that will give the manufacturer a fair oppor-

tunity to work with the retailer would work for the benefit of all concerned, and in operation about two or three seasons would revolutionize the trading basis and ethics of garment merchandising. *The New York Times*, August 17, 1925.

## FINANCIAL MANAGEMENT

### A Survey of the Locomotive Brotherhoods' Business Activities

The brotherhood, by means of a pyramidal system resembling that common in the public utility field, now controls banks whose gross resources are in excess of \$126,000,000. For several months the brotherhood has been decentralizing its banking interests. Formerly the banks were all controlled either by direct ownership of 51 per cent of their stock in each by the brotherhood or by the Brotherhood Investment Co., but as their number increased the organization of regional finance companies was undertaken, these to hold the stock of banks in their territory. *Industrial Relations: Bloomfield's Labor Digest*, August 1, 1925.

### Current Position as Basis for Credit

A concern should not depend alone on its current financial position to secure credit from banks. The long-time policies of the company and the character of the management are in most cases equally important, if not more important, than the immediate relation of assets to liabilities. If a bank is to select safe risks, it must look beyond the figures that appear on the statements of the company. *Harvard Business Review*, July, 1925, p. 497:5.

### The Owners of "America, Inc."

In addition to the mass movement of labor into banking ownership and control, there has been an even more extensive popular invasion into other classes of corporations in recent years. In 1923 there were more than eight hundred thousand stockholders in American steam railroads. An-

other startling estimate as the result of extensive researches shows that there were 14,400,000 corporate stockholders in America in 1923. Not only has the basis of ownership expanded in the last few years but there has been a shifting of the ownership of corporations from the wealthier classes to those of moderate and small means. By John Oakwood. *Barron's*, August 10, 1925, p. 8:1½.

### The Labor Banking Movement

There are now twenty-nine labor banks in operation in seventeen states, with resources close to ninety million dollars; and two other banking institutions in which trade unions have a substantial, if not a controlling interest, whose combined resources are also practically ninety millions. The labor bank movement has great educational value. It will teach the importance of management in the conduct of great business and industrial enterprises. *Industry*, July 18, 1925.

### How New York Builds Little Banks Into Big Banks

No less than forty-two bank mergers, involving seventy-six individual institutions with over \$645,000,000 in aggregate capital funds and \$4,295,000,000 in deposits, occurred in New York City since the war period down through 1924. These figures visualize the heights to which the great consolidation movement, which is the outstanding development in New York banking in recent years, has risen since the war. The principal cause for this is the growth of the branch-banking movement, although a detailed view of this movement



reveals that the larger downtown banks were at first conservative about giving way to the uptown and branch banking trends. By John Oakwood. *Barron's*, July 20, 1925, p. 7:1.

#### **Analysis Makes Accounts Profitable**

Analysis of accounts gives the bank the following advantages. It enables the banker to determine the profit or loss in handling each account. It indicates the class of accounts which should be solicited for new business and how far the bank can go in offering inducements. It shows where to concentrate and how to give service without penalizing the stockholders. It reveals seasonal fluctuations of balances, affords a comparison of the managerial ability of executives of different concerns in the same line of business, and provides a basis for making credit decisions. By Dubose Jackson. *The Bankers' Equipment-Service Bulletin*, July, 1925, p. 14:1½.

#### **Character of Management as a Basis For Obtaining Bank Credit**

Deviation from the bank policy in regard to credit may be made on the basis that (1) A company may show success; (2) that its policies are believed to be sound; (3) that the balance sheet indicates

a sound and improving financial condition; (4) that the profits have not been taken out of the business; (5) that an increasing line of credit was for the purpose of financing seasonal peak purchases and was not a long-time loan; (6) the bank may have large funds available for loans; (7) that the management has the ability to continue the successful operation of the business. *Harvard Business Review*, July, 1925, p. 481:5.

#### **The Ruthless Waste of Wealth**

The waste in American industry and in the use of private incomes in this country represents enough money to give wage earners all they have asked for in their most extravagant demands; to furnish capital larger returns on invested capital; and to save the public untold millions in the cost of commodities. This challenges the efficiency of our industrial system and the economic intelligence of American citizens.

If a solution of our industrial differences is to be found and the waste in business checked, the remedy must be sought in some non-controversial influence that will command the co-operation of both employers and employees in a common cause. By William E. Knox. *American Bankers Association Journal*, July, 1925, p. 17:1¼.

## **OFFICE MANAGEMENT**

### **Space: Location, Equipment, Arrangement**

#### **Planning the New Building for Future Expansion**

Summing up the matter of adequate expansion provision it is necessary to study a number of factors influencing growth, several of which are mentioned, in order to determine the effect of these factors on the various elements of the business, to consider the ways in which expansion may be provided for, and to express the calculations in terms of value per square

foot per annum. By Warren D. Bruner. *Bankers' Monthly*, July, 1925, p. 25:2.

#### **How Private Shall the Private Office Be?**

The private office is necessary to these types of workers: 1. Those who do creative work and can concentrate only when quiet and alone. 2. Those whose job involves interviewing people for practically all of the day. 3. Those who guard con-

fidential or valuable papers. The conference room is being substituted more and more for individual private rooms. By Eleanor Gilbert. *Office Manager*, September, 1925, p. 275:2.

### Moving an Office

A consideration of the factors which will simplify moving. A job analysis of the work of each clerk helps in a rearrangement. Much duplication and over-

lapping can be avoided in this way. Moving offers an excellent opportunity to check up inventory. Tagging each piece of furniture is essential. Charts of the new and old floor space will aid in departmental location, and subdivisions. Colored templets representing each piece of furniture assist in visualizing the new location. An allowance of 10 per cent per year has proved adequate for the growth of the average concern. By J. H. MacDonald. *Office Manager*, September, 1925, p. 271:3.

### Organization: *Job Analysis, Employment, Pay, Tests.*

#### Should Salaries Be Published or Kept Confidential?

A proper grouping or standardization of positions, with descriptive titles and definite rates of pay, and an intelligent presentation of this system to the employees will

make for a more ambitious, effective staff. The feeling of reticence regarding salaries is offset by the advantages coincident with their publication provided that they are fair and admit an adequate series of promotions. By Fred Telford. *Office Manager*, September, 1925, p. 263:3.

### Administration: *Regulations, Supplies, Communications.*

#### Short-Cuts in Handling Supply Purchases

Five simple systems are described which are time and money savers. Economy in purchasing demands also an economical handling of supplies, their proper distribution, and a tickler system to indicate the need for reorders. Illustrated by purchase order and stock requisition forms in use by different banks. By Harvey Blalock. *The Bankers' Equipment-Service Bulletin*, July, 1925, p. 5:2.

#### Key Men and Women to Prevent Waste in Banking

In the American Security and Trust Company of Washington, D. C., one or more key men or women are appointed in each department whose duty it is to outline some plan in their respective departments for preventing waste of time and materials. They are instructed to call meetings of the employees asking for suggestions and co-operation in carrying out the purpose of this plan. Bimonthly meet-

ings are held to present results and exchange notes. *Trust Companies*, July, 1925, p. 96:¼.

#### How to Keep Departments in Instant Communication

The importance of quick and accurate transmission of messages is stressed, and the systems that are helping to speed up service are described, including the telautograph, the teletype, the O. K. credit system and the dictagraph. By Warren D. Bruner. *The Bankers' Equipment-Service Bulletin*, July, 1925, p. 11:1½.

#### How We Get Complete Action on all Letters

One concern insures complete action on all incoming mail by having trained readers catch all references to enclosures, etc., then rubberstamp each letter indicating its routing. The filing department checks this routing before putting the letter away. H. J. Morton, *System*, August, 1925, p. 231.

**Training and Education: Schools, Libraries, Employee Publications****Efficient Personnel in Trust Department Work**

Better facilities are urged for young men to equip themselves for administering trust department work. A program is outlined including home instruction where the trust officer undertakes to instruct his own organization, the establishment of special trust courses by chapters of the American Institute of Banking and the creation of professional courses in colleges and universities. By William H. A. Johnson. *Trust Companies*, July, 1925, p. 79:1½.

**Employee Publications**

A history of the origin of house organs and a description of their aims and accomplishments. Conscientiously edited, they are very effective in many ways. To insure success the house organ must be a part of a fair and workable employment plan. There can be no standard employee paper, as the editorial policy and dress of the paper will need to be adapted to each concern. By W. R. R. Winans. *Office Manager*, September, 1925, p. 269:2.

**Benefit Systems and Incentives: Pensions, Profit Sharing, Suggestions, Vacations, Stock Ownership****Compulsory Profit-Sharing**

An Employees' Law has been passed in Bolivia under which companies have to set aside one-fifth of their profits for the clerical part of the workers. It is provided, however, that this bonus or dividend on wages shall not be higher than 25 per cent of the salary.

Another new law forces every worker to save part of his salary; still another law provides compulsory discussions in labor disputes in order to foster conciliation, but this does not amount to compulsory arbitration. *Co-Partnership*, July, 1925.

**A New Employee Pension Plan of the New York Stock Exchange**

The New York Stock Exchange and its affiliated companies have adopted a new pension plan. The pension fund will be divorced from the company's treasury, the corporation purchasing annuities for each of its employees. They will be given an opportunity to participate on their own account, in which case the company's contribution is doubled. The plan is given. *Industrial Relations: Bloomfield's Labor Digest*, July 11, 1925.

**PRODUCTION MANAGEMENT****General: Promotion, Organization, Policy, Development****Hindrances to Output**

This is a report of a conference held by the National Institute of Industrial Psychology covering unusual hinderances to output such as bad provision of incentives, including defective piece rate and time rate systems, uncertainty of employment, stereotyping of output, working for pin money; poor supervision and management, including interdepartmental ignor-

ance; and bad construction of machinery and implements from a psychological standpoint. *Bulletin of National Institute of Industrial Psychology*, July, 1925, p. 291:9.

**Increasing Human Output**

"The experience gained by the National Institute of Industrial Psychology during the four years of its existence amply warrants the belief that a large increase in

the quantity and quality of the 'worker's' 'output' (using these two terms in the widest sense), could be obtained in this country by more adequate consideration of the 'human' factor.

This factor involves the study of:

"1. Environmental factors, such as ventilation, temperature, lighting;

"2. Methods of work, including routing, arrangement of material, the worker's posture and movements, and the elimination of needless movements;

"3. The most advantageous distribution of periods of rest and work;

"4. The best methods of reducing monotony, increasing interest, introducing incentives, and of promoting agreeable relations between management and labor;

"5. The selection and training by more systematic and scientific methods than heretofore, not only of the worker but of the personnel of management throughout all grades, so as to obtain the best applicants available, independent of nepotism and other adverse influences."

*Journal of National Institute of Industrial Psychology*, July, 1925, p. 283:8.

### **Plant: Location, Lighting, Heating, Ventilation.**

#### **The Water Screen**

The water screen running around the outside of buildings is one of the most interesting devices for protecting your property from your neighbor's fire. One of the most notable of the recent installations is that at the Gillette Safety Razor plant. *Industry*, July 18, 1925.

#### **Safety Organization for the Small Plant**

The advantages of proper plant organization for the reduction of accidents are briefly set forth, for the especial benefit of the smaller manufacturer. Illustrated by a safety inspection calendar and a chart which forms a compact accident record used by the Westinghouse Electric and Manufacturing Company. By Carl B. Auel. *National Safety News*, August, 1925, p. 17:2½.

#### **Cutting Down the Accident Toll**

Workers between the ages of twenty-three and forty-five, according to records, are less subject to injuries than the older and younger ages are. The accident rates among workers who cannot speak the English language is dangerously high. However, these are being reduced every day, due to the fact that employers are demanding that workers know the English language. The best results in accident prevention have been obtained by organizing groups of workers to study and suggest

changes to be made in the plants. By Russell J. Waldo. *Industry Illustrated*, July, 1925, p. 39:2.

#### **28 Cases Where Good Lighting Paid**

A consideration of what has and may be done to aid manufacturing and save eyesight through the mediums of correct windows, glass, paint, blinds and lamps. One food packer states that, after painting his plant interior white, he increased the volume of light still another 10 per cent by painting the courts white. A knitting mill owner claims that since painting the walls of his factory white, production has increased at least 4 per cent, lighting consumption has decreased 25 per cent and accidents have dropped to nearly nothing. After the best possible use of daylight has been made, improvements are possible in size, style and arrangement of lamps. Much can be done to decrease the discomfort of the worker and this is immediately reflected in increased output. By Russell J. Waldo. *Management and Administration*, August, 1925, p. 63:4.

#### **Outside the Factory Walls**

The Power Specialty Company at Dansville, N. Y., is an example of an industry located in a small town rather than in the cramped spaces of a city, which is doing an international business at lowering costs. Adequate spaces here means two things: first, a factory site allowing for the most

efficient lay-out of buildings and therefore of internal operations, and for the receiving of materials and shipment of products; and second, a town where comfortable homes and gardens create a working force unhar-

ried by high living costs. The general roominess also means quick railroad shipments to all points of the compass. By John A. Piquet. *Industry Illustrated*, July, 1925, p. 44:2½.

### **Industrial Economics: Labor and Capital, Legislation, Wage Theory, Immigration**

#### **The Second International Conference of Labor Statisticians**

There were four subjects of discussion at this second conference of labor statisticians held at Geneva from the 20th to the 25th of April of this year—classification of industries, cost of living index numbers, in-

ternational comparison of real wages, and unemployment statistics. Twenty-five governments were represented. Each subject is considered at length in this article. *International Labour Review*, July, 1925, p. 1:22.

### **Employment: Classification, Selection, Tests, Turnover**

#### **Vocational Tests in the Engineering Trade**

The procedure in analyzing a candidate for vocational selection is considered, in-

cluding physique, general educational level, general intelligence, specific abilities, and the temperamental factor. By Max Tagg. *Bulletin of National Institute of Industrial Psychology*, July, 1925, p. 313:11.

### **Employee Service: Hygiene, Recreation, Lunch Rooms, Stores**

#### **Improving the Morale in Stores Organization**

The Lehigh Valley maintains an employment bureau which hires the best men available for its stores department. It provides for a physical examination of employees, maintains relief associations, building and loan associations, provides group insurance, and a pension system.

Some of the measures which are practiced in the stores organization itself include a staff meeting once a month, and a business meeting and banquet once a year to which all employees of the stores department and representatives from every other department, and from neighboring roads as well, are invited.

When an applicant has been accepted and is ready to start on his new work, the store officer briefly outlines the company's rules and regulations and methods of operation, the functions of the stores depart-

ment and the worker's particular place in the scheme of things. By W. J. McKaig. *Railway Age*, July 11, 1925, p. 79:1½.

#### **Display Important in Grocery**

Modern systems of self-service and display are employed in the grocery conducted at the Bausch & Lomb Optical Company, and so successful has been the operation of the store that the business is one of the chief factors in welding the workers and company together. It is felt that a store of this nature will do more to maintain peaceful industrial relations than anything else. It is run directly by the manager, but there is a store committee composed of workers, who sit at intervals to hear complaints or suggestions for improving the service. These are passed on to the manager for his favorable or unfavorable action. By George Cullen. *Commissary*, August, 1925, p.11:1½.



### Less Worry for Employed Mothers

The Kellogg Cornflake Company have installed a nursery and playroom for the children whose mothers are employed in the plant. Twenty-two children of five years and under whose parents are Kellogg employees, are now being cared for in the new nursery. A well-equipped, sunny playroom, a complete bathroom, and a sleeping room with cots and bassinets are provided. The factory physician examines the children and medical record cards are kept for each child. The services of the factory nurse are available at all times if needed. A trained kindergarten worker is in direct supervision of the children, and lunches are prepared for them by a trained dietitian under the direction of the Home Economics Department. *National Safety News*, August, 1925, p. 5:34.

### "Every One Knows Us Now"

The kind of publicity every business wants is obtained by the American Rolling Mill Company. For the past three years Armco men have been given a chance to learn something about public speaking under the guidance of a competent instructor. The company receives many requests for men to talk on various company activities, and during the past year no less than 150 talks were made by Armco men before civic organizations, technical societies, advertising clubs, business schools, boards of trade, etc.

It has been found that men who have taken this training have increased their value to the company. By Sherman Perry. *System*, August, 1925, p. 178:1½.

## Training and Education: Schools, Libraries, Apprenticeship, Employee Publications, Bulletin Boards

### Educating Future Laundryowners

The Power Laundry Course at the Ohio Mechanics Institute, Cincinnati, is equipped to turn out young men who are not only taught the practical details of the laundry industry but the theoretical side also. The students spend part of their time in the laundry plants in and around the city. One month is spent in the class-room and the following in the laundry. *The American Outlook*, August, 1925, p. 7½.

### Leader Versus Gang Foreman

Instead of being a driver the foreman is now an analyzer. His findings help the company inaugurate a successful welfare organization, as well as to meet conditions created by high labor turnover and an influx of green workers. The company also expects him to keep certain records of his men, furnishing the office with data upon which to base promotions of workers, shifting of workers to jobs, etc. As a matter of fact he is no longer a foreman in the strict sense of the word; he may have under him job foremen, assistant foremen,

and a corps of clerks. Illustrated by a chart used by the Aberthaw Construction Company, which provides a means for rating the employee as to his characteristics, interest and ability. Also a rating form to be used by a foreman in determining the ability of his workers. By J. K. Novins. *The Dodge Idea*, July, 1925, p. 12:2¾.

### Modern Apprenticeship Training

An outline is given of what is being done to train employees at the plant of the Scovill Manufacturing Company. To be admitted as an apprentice, a boy must be sixteen years old or over, and should have completed the grammar school grades. Training for toolmaker apprentices covers a minimum of four years of 2,700 hours each, and for machinist and electrical apprentices it covers a minimum of three years of 2,700 hours each. Each apprentice is loaned tools to the value of approximately forty-five dollars at the beginning of his training, which are presented to him at the completion of his course. He also receives a bonus and a diploma at the end

of his course of training. A point is made of the group idea by which the instructor has opportunity for very close observation of the work of his students.

The boys are also given class-room work in applied mathematics, drawing, physics,

metallurgy, chemistry, economics, etc., as well as in hygiene. A study of the government, too, has been found very helpful to the men. An interview with Walter S. Berry. *Connecticut Industry*, August, 1925, p. 3:3½.

### **Benefit Systems and Incentives: Group Insurance, Pensions, Profit Sharing, Wage Plans, Suggestions, Vacations, Stock Ownership**

#### **Selling the Stock**

There seems to be an inclination on the part of some employees to sell their stock as soon as certificates are obtained. But this defeats the chief purpose of the plan, because if making it possible for employees to obtain stock at a low price does not have the effect of keeping them interested in the business the partnership might as well be dissolved. A plan now in force in the Texas Company, provides for three years' trusteeship, during which time allotted stock cannot be sold. Longer trusteeship is undesirable, save as an incident to the purchase price obligation. It is hoped that it will not be necessary to discontinue the plan altogether. By Amos L. Beaty. *The Texaco Star*, July-August, 1925.

#### **Cash For Ideas**

Many corporations, and some of them the largest in the world, believe they have found what they need in the suggestion system. The chief value of this lies in the fact that it opens a door directly from the shop, desk, foundry or bench to the office of the highest executive. If there is an advertising genius concealed behind an adding machine, this system opens the way

for him to disclose himself. One of the conclusions reached from a brief review of these plans is that the use of machinery does not blot out the human equation; differences in skill and intelligence still show plainly. By Chester T. Crowell. *The Saturday Evening Post*, August 15, 1925, p. 43:2¼.

#### **Sickness Insurance Common Abroad**

Dr. Otto P. Geier, Director of the Employees' Service Department of the Cincinnati Milling Machine Company, comments upon the industrial conditions abroad and says, "Industrial health work in the factories of Europe has not reached the advanced stage of development that it has attained in the United States. Hundreds of American plants have physicians who devote their entire time and effort to the medical supervision of the workers. In contrast to this it is doubtful if there are more than 25 factories in all of England and perhaps one or two in Belgium that employ full time medical men. . . . On the other hand, sickness insurance is more widely appreciated in Europe than in America. The necessity of spreading the cost of illness among many people is recognized." *Iron Age*, July 23, 1925, p. 216:1.

### **Labor Relations: Collective Bargaining, Arbitration, Employee Representation**

#### **The Need for an Industrial Truce**

The preoccupation of governments in most countries now is to discover a method, acceptable alike to worker and employer, which might minimize the risk of strikes and lockouts. It is noted that recent leg-

islation in most countries of industrial importance reflects the prevailing conviction that agreement may be more hopefully sought by voluntary methods than by any system based on compulsion. Conciliation, arbitration and courts of enquiry have little

opportunity to function until a dispute has been declared. It is therefore desirable that trade disturbances as a preliminary to argument should cease. The actual machinery for consultation seems a minor point; if a truce could be agreed upon by employers' and workers' organizations, subject to a joint examination of the causes of labor unrest, the details could be worked out by their representatives. By Sir Robert Hadfield, Bart. *International Labour Review*, July, 1925, p. 39:7.

#### New Business Trends in the A. F. of L.

It is desired to make union membership sufficiently attractive to compete with industrial service activities of various corporations. Instead of attacking these activities there has been a tendency of late to study their operation and account for their success. As an instance of this a union labor life insurance company is under way, and the Brotherhood of Electrical Workers is already operating such an enterprise. *Industrial Relations: Bloomfield's Labor Digest*, August 8, 1925.

#### Railroad Union-Management Co-operation

Because union-management co-operation really imposes new and greater responsibilities upon the agencies of the union worker, the necessity for greater perfection in respect to the activities of his agencies becomes of increasing importance. Just how such co-operation has been organized in the locomotive and car repair and building departments of the railroad industry is described in this article. By O. S. Beyer, Jr. *American Federationist*, August, 1925, p. 645:9.

#### The Changing Structure of the Bargaining Unit of Labor

In many quarters a process called amalgamation is taking place, a process which usually foreshadows some form of industrial unionism. Indications of this realignment can be seen in the prevalence of the

words "amalgamated," "consolidated" and "united" in the names of the labor organizations which have come into use within the last fifteen years. New alignments of this kind characterize the labor movement on the continent of Europe, as well as in England and the United States. A comparison is made of the extent to which amalgamation has taken place in different countries and industries, of the degree to which unskilled workers have been included in the new unions, and of the post-amalgamation history in various countries. By Amy Hewes. *The Quarterly Journal of Economics*, August, 1925, p. 612:2½.

#### Strikes and Wage Demands

The pressure for larger concessions in wages and work conditions is likely to increase during the next six months. A factor in this movement is the fear of possible wage cuts. But the strike weapon has come to be looked upon not only as a last resort, but in many cases as an indication of poor union leadership. The methods for improving wage and other conditions to-day are based on business-like procedure, on organized information, on statistics, on laying the cards on the table. *Industrial Relations: Bloomfield's Labor Digest*, August 15, 1925, p. 3174.

#### Progress and Tendencies in Works Councils

Employee representation is taking its place as a part of the routine of management, which fact has had a significant bearing upon the character of management itself. The generally accepted view that employee representation does not mean the divided control of industry does not imply that there is agreement in practice as to the exact scope of a works council. The widest variations are to be found, in fact. Another aspect which has caused much discussion is the relation of employee representation to unionism. Although there are examples of union contracts and works councils operating side by side, the most widely known plans are among workmen

whose employers do not recognize unions in the sense of signing contracts with them.

In addition to the tangible results of representation, there are numerous by-

products of immeasurable influence, which make for increased efficiency in industry and in promoting harmonious relations. By Edward S. Cowdrick. *American Review*, July-August, 1925, p. 443:734.

### Planning: *Job Analysis, Standardization, Routing*

#### Influence of Short Time on Speed of Production II

The rate of production is affected by the dislocation of the habitual working pace, the general mental attitude towards continuous short time, incentives arising out of the system of payment, and the influence of factory discipline and routine. Each

of these reacts on the others in varying degrees according to local circumstances, but it would seem significant that the general trend of results in the box-making industry follows very closely that of the three other industries studied. By G. H. Miles and A. Angles. *Bulletin of National Institute of Industrial Psychology*, July, 1925, p. 300:3.

### Shop Organization: *Methods, Salvage, Waste, Job Assignments.*

#### The Six Ways to Eliminate Waste

A broad classification develops: 1. Direct reduction of wastes; 2. Better utilization of by-products; 3. Greater use of existing facilities; 4. Revision of existing facilities; 5. Simplification and standardization; 6. Better control of production resources. There follows a discussion of how these may be done and what may be accomplished thereby. By Ray M. Hudson. *Management and Administration*, August, 1925, p. 71:4.

house, machine shops, etc., comprise a floor area of 365,425 square feet. Their problem lay in fitting the system into existing buildings, with an eye also to future expansion. *Industrial Management*, August, 1925, p. 77:5.

#### Who Decides Machine Purchases?

An informal narrative of the abilities and limitations of a planer-hand who, though an expert and possessing considerable skill and resourcefulness, still is unable to get the benefit of outside experience which would keep him abreast of developments in methods and machines. Invisible losses from out-of-date machinery should be eliminated. By Tell Berna. *Iron Age*, August 13, 1925, p. 413:1.

#### Handling Diverse Products Through Many Operations

The practice of the Fuller Brush Company, who have a modern building, but whose problem lies in the large number of operations, in the quantity of material to be handled and in the nature and diversity of this material. *Industrial Management*, August, 1925, p. 73:4.

#### Materials Handling in Multi-Storied Buildings

The Crompton and Knowles Loom Works produces complete looms for manufacturing all fabrics from silk to carpet, and they have dealt with their materials handling problem through the use of tractors, movable skids, tote boxes and hoists. Fast-moving trucks and tractors necessitate constant supervision, the proper lay-

#### Adapting Handling Methods to Plant Expansion

The Chapman Valve Manufacturing Company has a plant which from a small beginning has three separate foundries for brass, iron and steel, which, with power

out of trucking aisles and routing of materials. *Industrial Management*, August, 1925, p. 83:6.

### Handling Under Difficulties

Materials handling practice of the Brown and Sharpe Manufacturing Company, whose problem is complicated by numbers of small parts and by the plant having neither railroad siding nor docks; also its property is intersected by three public thoroughfares. *Industrial Management*, August, 1925, p. 67:5.

### A Typical Big Plant with a Variety of Products

A description of the materials handling practice of the Westinghouse Electric and Manufacturing Company at East Pittsburgh. This plant has more than 100 acres of manufacturing and office space. The manufacturing embraces electrical products ranging from the small radio receiving tubes to large 275-ton electric locomotives. *Industrial Management*, August, 1925, p. 89:7.

## Research and Experiment

### Psychology Applied to Industry

Business men to-day are eager to make use of whatever general principles psychological experimentation may evolve. At the present time the demand is ahead of

the supply. Industry is now utilizing many psychological laws and methods; there is the psychology of salesmanship, of advertising, of fatigue and monotony, the study of the psychological effect on production of light, temperature, humidity and color. All of these may be classified in two groups: first, psychology as it is applied to the relationship between the industry and the public. This would include salesmanship, advertising and service in general. Second, psychology applied within the industry itself. The following subdivisions of this subject are given further consideration: advertising, salesmanship, psychology as applied to personnel problems, employment psychology, vocational guidance and the humanizing function of the psychologist. By Sadie Myers Shellow. *American Review*, July-August, 1925, p. 432:10¼.

### The Application of Chemistry to Industry

The first of a series of articles, giving a general survey of the field. It is accompanied by a chart in which an effort has been made to illustrate the scope for chemical service in any industry. A bird's-eye view is given of these four main divisions of the activities of the chemist: 1. Co-operation with the purchasing department. 2. Chemical control. 3. Investigation and research. 4. Sales promotion. By J. R. Donald. *Industrial Canada*, August, 1925, p. 49:2¼.

## SALES MANAGEMENT

### The Statistical Determination of Demand Curves

Recent interest in the statistical measurement of economic phenomena has resulted in a number of attempts to measure the elasticity of demand for several different commodities and even to draw the complete demand curve, within the range of price variation commonly observed. The attempt to assimilate the results of these

studies to the general body of economic theory raises a number of important questions, to which careful consideration is given in this article. By Holbrook Working. *The Quarterly Journal of Economics*, August, 1925, p. 503:40.

### Effective Operation of Stock Control

The third article of a series, being a discussion of operating a department effi-



ciently and economically. In general, the method is to outline each function along with an internal check as the standard method of operation. With this as a guide, the stock-control clerk should be trained in her work by the supervisor of the system. Her work should then be periodically tested directly from the stock-control office. The handling of each merchandising transaction is outlined and a definite internal test shown as to its accuracy. *Store Operation*, July, 1925, p. 10:2.

### **Now Our Sales Analysis Tells a Really Useful Story**

Sales history can be made a source of profitable suggestions only if the facts are rightly interpreted. A description of a sales analysis used by a large corporation is given. The sales are made entirely through salesmen on a salary and commission basis, and by manufacturers' representatives on commission. By William B. Spooner, Jr. *System*, August, 1925, p. 179:2.

### **A Sound, Easy-to-Keep, Stock-Record Plan**

A perpetual inventory plan which is a mirror of sales operations. It is said to speed turnover, eliminate dead stock, and both prevent and correct many ills in the mill supply business. An outline of how the plan works is given. By George H. Lyon, Jr. *Industrial Merchandising*, July, 1925, p. 129:2¾.

### **Consumers' Demand**

One of the methods of dealing with the problem of consumers' demand price is the marginal-utility analysis, and the other is the approach through conventional standards of living and the theory of consumption. A third and more laborious method is based on the statistical study of actual budgets and actual market phenomena. The purpose here is to bring together some of the results to which these various types of analysis have led, and to discover what further conclusions can be drawn from

them. There is first an examination of standards of consumption and their influence on individual wants; second, the measurement of such wants as they appear in the market, and, third, the actual relation of wants to the formation of market demand prices. By James W. Angell. *The Quarterly Journal of Economics*, August, 1925, p. 584:28.

### **Selling Costs**

The question of increasing selling cost is becoming more and more vital all the time, because of two things, the widening of markets and the growth of competition. A significant thing about selling costs which is overlooked by many manufacturers is that they go down in proportion to the reputation of the goods and the favorable conviction in the mind of the buyer. By John Hart. *I. S. M. A.*, May, 1925, p. 61:5.

### **How a Statistical Department Assists the Sales Manager**

A list is given of the essential statistics required by the sales manager of a business. Why these detailed figures are necessary to the sales department and how they can be obtained are then described. The statistical department may in fact be regarded as the intelligence department of the business. Its head should be a mathematically minded, imaginative man, and tactful enough to elicit from various sources the information he needs without giving offense. By Eric N. Simons. *Business Organisation and Management*, August, 1925, p. 278:2½.

### **A Survey of Merchandising Trends in the Automotive Field**

The fourth of a series of reports dealing with some present revolutionary jobbing practices in principal lines of business. The point is brought out that the old-line jobbers are losing out because of the fact that they are spreading their efforts out too thin, and that the replacement or repair parts jobber is gaining be-

cause of his ability to develop the idea of service to a higher degree. By Roy W. Johnson. *Sales Management*, July 25, 1925, p. 79:3.

### Dangerous Selling Prices

Some reasons for and the effects of unsound pricing. Suggested ways of analyzing industry and its markets to arrive at a better basis for distribution. By W. L. Churchill. *Management and Administration*, August, 1925, p. 79:4.

### What the Sales Manager Should Know About Trade Marks

It is strongly recommended that every mark be registered, and especially if it is a mark which has acquired distinctiveness by time and use. Every trader should carefully watch to see that no other mark is registered which so closely resembles his as to cause confusion. This could be expunged by an application to rectify the register, which, however, is a more costly matter than opposition in the application stage. By J. V. Armstrong. *I. S. M. A.*, April, 1925, p. 42:5.

### The Use of Exclusive Retail Agencies

The basic considerations involved in the use of exclusive agencies in the retail field may be summarized briefly as follows:

1. Exclusive agencies, under usual conditions, should not be used in the marketing of convenience goods. These are goods which the consumer normally buys at the nearest store, and it is therefore important that they be distributed through a large number of dealers.

2. Shopping goods ordinarily are not sold effectively on an exclusive-agency basis.

The purchaser wishes to make comparison as to quality, style and price in goods of this type; the purchase frequently is not made in the first store visited. If such merchandising may be had in several stores, the probability of sale is increased.

3. The exclusive-agency plan particularly adapts itself to the merchandising of specialty goods. Purchases of this class of goods are made because of the reputation of the goods themselves, or of the dealer. A restriction in the number of retail distributors does not decrease the volume of sales. On the contrary, it assures the manufacturer of aggressive selling that would not be possible if distribution were general.

4. Where a large stock investment in the goods of one manufacturer is required, the exclusive-agency plan is probably necessary, regardless of the type of goods sold.

5. If the retailers are expected to bear a portion of the burden of advertising, and to build good-will for the product of a certain manufacturer through other aggressive sales methods, it is usually necessary to give the protection afforded by the exclusive agency.

6. In the case of specialty goods, where the unit of sale is small, it is frequently advisable to use selected dealers rather than an exclusive-agency plan.

7. Where a product is nationally advertised by the manufacturer in an effort to create a demand on the part of the consuming public generally, the restricted distribution given by exclusive agencies may result in a smaller total volume of sales than would a larger number of dealers. *Harvard Business Review*, July, 1925, p. 485:13.

### Sales Promotion: Letters, House Organs, Advertising.

#### Shortening the Selling Route

The main problem of the sales manager today is not so much the training of salesmen, the special field of work, or even efficient budgeting. It is the promotion of

sales, or what might be called plus sales. The difficulties of selling today are so great that the demands made on the sales manager may be too exacting for the average man to bear and it is for the sales managers

to decide whether the merchandising of their goods, the finding of new routes and methods, the mixing of new ideas with their selling, is to be done by them, by the advertising manager, or by the agent. There is one thing certain, however; it is the man with merchandising knowledge who must inevitably control the selling of the company. By Cecil Chisholm. *I. S. M. A.* June, 1925, p. 84:2½.

### Practical Suggestions for Sales Manuals

The term is applied to all forms of standardized written sales instruction. Some of the best manuals, from the standpoint of sales efficiency, are not manuals at all in the usual sense of the term, but inexpensive, easily compiled records of the sales policies and sales experience. Many concerns have put off the preparation of their manual because of the expense of the task, where they might have accomplished the same end by bulletins filed regularly, or loose leaf pages sent out at intervals for the salesman's instruction book. All these expedients are considered in this report. Report No. 210. The Dartnell Corporation. 24 pages.

### Making the Catalogue Simplify the Salesman's Job

The Stewart-Warner Speedometer Corporation uses a catalogue manual for its distributors' salesmen which fuses utility and personality in an uncommon way. What the catalogue does for the salesman is, briefly, to standardize and simplify his selling. It shows how each item should be sold, besides giving the salesman complete and specific data on every article. Each section of the catalogue is a complete unit in itself, being carefully subdivided according to subject. Ways and means are taken to get the salesmen to insert the new sheets as they are sent out from headquarters, as failure to do this means that the catalogue is not a dependable guide. By Dana M. Hubbard. *Printers' Ink*, July 30, 1925, p. 73:3.

### The Man on the Street Wants to "Know" His Banker

Bank executives should do more to impress their individual personalities on small account customers, and through mass appeal make personal impressions, which are made by other business leaders and men in public life.

One of the great deficiencies of many bank house organs for customers is their impersonal quality. On the other hand, if their policy were that of multiplying a personality in the banks which issue them, these customer publications would be among the strongest and most economical bank advertising mediums. Even the newspaper space used by a bank would be improved if from time to time it contained the personal, signed opinions of one of the officers. By G. Prather Knapp. *Bankers' Monthly*, July, 1925, p. 16:2½.

### Some Ideas for That General Sales Convention

A description of the plans used by such companies as Pratt and Lambert, Carborundum Company and the Upson Company. The article is based on a survey of methods used in a number of sales conventions, and the intention is to direct attention to the many variations of the general sales convention, not all new, but all tested and successful. Where the sectional sales conference is advisable, the general meeting will not be practical. By Warner Bates. *Printers' Ink*, July 30, 1925, p. 101:4¼.

### How Illinois Bankers Spend Their Advertising Dollar

A recent survey reveals many interesting facts regarding advertising expenditure, which may be thus summed up: Policy, local conditions and competition should first determine whether a bank should advertise, and then earning ability should determine the bank's ability to spend. Average up the advertising expenditures for the past five years, and the net profits for the same period; then determine whether the num-

ber of advertising dollars should be increased or decreased from that time on, unless circumstances make it desirable to change. By Gaylord S. Morse, *Bankers' Monthly*, July, 1925, p. 22:1¼.

### **The Export House Organ as a Profit-Maker**

Many export executives to-day feel that the house organ is a great time saver in conveying their most important messages. One of the best formulas seen for an export house organ calls for a maximum of one-sixth of the text relating directly to

the products of the enterprise. Its leading article should not relate to the products of the company which publishes it, but should refer to such matters as proper display and storage of stock; the latest innovations in store fixtures; the profitable disposal of surplus stocks; the use of newspaper advertising in connection with special sales, etc.

The first step in the building of the successful house organ is the mailing list and the next step is the building of an editorial policy. Editor, *Printers' Ink*, August 6, 1925, p. 89:1¼.

## **Benefit Systems and Incentives: Bonus Plans, Vacations, Hygiene**

### **Health Supervision in Mercantile Life**

Results of the studies made by the Harvard Mercantile Health Work show that store health conditions in leading stores, while generally good, can be improved by better lighting, more careful ventilation, and better seating.

One hundred dollars a year is the estimated average loss from illness and injury of each mercantile worker. At a cost of five dollars a year per worker, satisfactory health supervision can be established.

When care of the sick is well organized it is possible safely to employ workers who have defects more or less disabling. An industrial physical examination takes less than fifteen minutes and costs about one dollar.

The large problem of health educational work in stores is not in accident prevention, but in the field of personal hygiene to prevent disease. By Arthur B. Emmons, M. D. *Labor and Industry*, June, 1925, p. 8:9.

## **Salesmen: Selection, Training, Compensation**

### **A Method of Rating the History and Achievements of Applicants for Positions**

Improved methods in selecting salesmen have produced startling results in sales in the Phoenix Mutual Life Insurance Company. A number of items in the salesmen's personal history sheets were treated statistically and of these, twelve, individually and in combination, were found to have great value in showing which applicants turned out to be successful or unsuccessful salesmen. These twelve items are: Age, number of dependents, marital state, schooling, years since leaving school, selling experience—life insurance, selling experience—general, membership in social organiza-

tions, officership in social organizations, home investments, number of investments, insurance carried.

Accompanying charts show the relationship between these factors. *Public Personnel Studies*, July, 1925, p. 202:8.

### **Watch for the Salesman Who Gets Things Done**

Four distinct types of salesmen are described: The Self-Seller, the Correspondence King, the Cæsar Type and the Perfect Type. The perfect salesman is so scarce that he is always known and appreciated. The first two speak for themselves and often get too much praise, attention and advancement. But the hundreds

of steady, modest salesmen who do not know how to show off, but who do their jobs as they see them, in season and out, deserve a greater share of attention. Many of his type will be the Big Chiefs of a few years hence. By the Vice-President of a Machine Tool Company. *Printers' Ink*, August 6, 1925, p. 49:2¼.

### Our Salesmen Bear the Costs

The salesmen of the Cassanave Supply Company all use automobiles. They contribute as much to the salesman's success as to the company's, for he is paid a generous commission on all the business he obtains, which is sufficient for him to maintain his own motor car. Under this system, the salesmen can feel free to use their cars after business hours in any way they see fit. By J. H. Cassanave. *Industrial Merchandising*, July, 1925, p. 120:¾.

### Salesmen Will Earn More Profits

The straight salary and expense plan of paying salesmen is the most commonly accepted method in the mill supply field. The payment plans in use in five different companies are given. Many supply houses are finding that straight salary and bonus combines many advantages. The matter of expenses is also a factor to be considered in any payment plan, and various methods are discussed. *Industrial Merchandising*, July, 1925, p. 123:2.

### Effective Payroll Methods Used by Big Pittsburgh Store

The following three steps of the payroll control system used in Kaufmann's Store in Pittsburgh are briefly outlined: "1. How we handle our payroll statistics. 2. How we analyze our payroll data. 3. What we do with the results of our analysis to insure a reasonable control."

The method has yielded certain by-products, among which are the following: All-the-year-around employment has been provided for a large number of salespeople. 2. A group of noon-day "peak contingents"

has been put to work in the marking and receiving department. 3. A reduction in employment turnover was recorded. 4. There is a speedier check-up of the weekly payroll. 5. A more prompt and intelligent service rendered to department managers by the employment office. 6. The elimination of needless arguments based on opinions rather than on facts. By Oliver M. Kaufmann. *Store Operation*, July, 1925, p. 5:4.

### Sell Our Salespeople!

The shoppers are becoming more discriminating every day. It is necessary to meet their education with a deeper education on the part of the salesperson. Either the manufacturers will have to come to the aid of the retail merchant in educating his salespeople, or they will have to educate salespeople of their own, and sell their products from door to door. Manufacturers in certain lines are already face to face with this problem. As conditions are now, the merchant and his buyer are not qualified to give the salespeople the definite facts they need to present their merchandise intelligently.

Another method suggested is to have an expert at the plant prepare an educational exhibit for the salesperson. With this exhibit should be a carefully prepared sales talk covering all points that would be of interest to the patrons. This method has been tried out by a few manufacturers, but could be made more effective still. By J. V. Paxton. *Printers' Ink Monthly*, August, 1925, p. 19:2½.

### Remington Plan to Cut Down Selling Force Turnover

The plan of the Remington Cash Register Company to cut down the labor turnover is this: new recruits are given a five to six weeks' period of training, during which they are paid a nominal salary. A four weeks' period is spent in training in the field, preceded by a one or two weeks' course in the office. Here they are given a grounding in the science of selling, with



particular reference to the merchandise practice of the company; the construction of the cash register; store systems; approach; demonstration; close; price lists and policies.

The student salesman is then sent out in the field to work with a senior salesman. The second day he canvasses alone and attempts to arrange demonstrations for the senior salesman with whom he is working. If he reaches his quota in the first four weeks, he is promoted to a junior salesman, at increased salary. The senior salesman is paid a salary and commission. The branch manager is recruited from the ranks of the salesmen. It is the policy of the company to promote all executives from the ranks, and this is held as an incentive to recruits. *Industrial Relations: Bloomfield's Labor Digest*, July 25, 1925.

#### How We Devised a Compensation Plan That Cut Down Turnover

A description of how the Intertype Corporation worked out a compensation plan, including these points: weekly salary and expenses; monthly commission; quarterly bonus; yearly dividend. They pay salaries just about enough to meet the ordinary living expenses of their men, and then offer commissions, bonuses and dividends as an inducement to put forth effort to get volume. By G. C. Willings. *Sales Management*, July 25, 1925, p. 77:2½.

#### How the National Cash Register Company Selects Salesmen

The chief source of new salesmen is not the colleges, but men who have sold other things. Yet turnover among the college men is lower than that of any other group. Before an applicant for a position as salesman is accepted he is judged upon nine qualifications. These are: age, health, appearance, bearing, intelligence, experience, responsibility, industry, courage. Based on an interview by Roy Dickinson with F. B. Patterson. *Printers' Ink Monthly*, August, 1925, p. 21:3.

#### Training the New Salesman Before He Starts on the Road

The method followed by the E. M. Trimble Manufacturing Company is based on a sound knowledge of psychology, as is shown by the way the new man is put out on the road to get his bearings, and later assisted with his selling difficulties. The Trimble method of leaving the man to his own devices for a few days, just to browse around, is highly desirable.

The Westinghouse Electric and Manufacturing Company believes that a salesman should perform a variety of duties, many of them unrelated to selling, but which will give the man a broad viewpoint of the organization.

The Armstrong Cork Company believes in an extensive educational course for its new men, who are all recruited from the colleges. This training has been gradually lengthened until it takes about five months for a man to get his preliminary groundwork. After this he is ready to be put in the field as a sales-promotion man, first under supervision, then alone.

All this reflects the new trend of more intelligent merchandising methods backed by trained, enlightened selling. By Ruth Leigh. *Printers' Ink Monthly*, August, 1925, p. 39:1½.

#### Salesmanship

##### Profit vs. Product

Varied answers have been given to the question of what is the base of success in selling, but upon analysis the gist of successful achievement seems to be the selling process, which is this:

1. The salesman indicates or suggests the advantage which the prospect may get through buying his product or service.
2. He proves, when proof is required, to the satisfaction of the prospect that what he is selling will give the prospect the advantage he has indicated.
3. He persuades the prospect that he should buy what the salesman is selling so that he may get and enjoy the advantages he de-

sires. Everything effective in salesmanship may be traced to these steps of the selling process. By John B. Mannion. *The Red Barrel*, August 15, 1925, p. 3:5.

### First Find Out Why Your Prospects Do Not Buy

The purpose is to point out the difference between ordinary selling and removing reasons for not buying. One of these reasons is found in collection methods. Another common reason is that the shipping distance is too great. Probably the most common of all is that the prospect cannot afford the proposition. When all the reasons for not buying are discovered, the salesman should start in to eliminate them, or, if that is not possible, ways of overcoming them from the customer's angle should be found. By a Detroit Sales Manager. *Printers' Ink*, July 23, 1925, p. 33:2½.

### How to Use Personal Selling in the Trust Department

When solicitors are fortified with a thorough knowledge of trust problems, they are better able to bring prospects to a prompt "close." The success of a trust solicitor depends to a great degree upon his primary training, and when he has mastered his subject he is ready to attack the list of eligible prospects. Some of these will be superstitious, others indifferent, and still others will recognize their duties, but will procrastinate. Methods

are cited, which have been successful in meeting these various conditions. By Harley F. Drollinger. *Bankers' Monthly*, July, 1925, p. 11:3.

### The Difference Between English and American Salesmanship

The Americans, generally speaking, are better salesmen than the English; but the latter are better buyers. In British salesmanship there must be more listening and less talking—more information and less argument—more consultation and less persuasion. The problem in Britain is: How to let a prospective customer have a sample of the goods—how to let him see for himself. *The Efficiency Magazine*, July, 1925, p. 6:1.

### Bank Managers and Their Customers

"First and foremost, extend your acquaintance in your respective districts as widely as possible and establish a reputation for knowing your business and for being ready to consult with and advise your customers regarding their financial affairs. Remember that a bank manager must be a salesman. For one thing, you sell service, and you must see that your customer realizes its value and is willing to pay for it. Foster the personal touch with your clientele and continually coach your staff to the same end." By G. G. Laird. *The Caduceus*, July, 1925, p. 33:3½.

## Books Received

**Factory Organization and Administration.** By Hugo Diemer. McGraw-Hill Book Company, N. Y., 1925. 389 pages. \$4.00.

**Effective Sales Letters.** By Harold Herd. Philip Allan & Co., London, 1925. 183 pages. 9 shillings.

**Health Maintenance in Industry.** By J. D. Hackett. A. W. Shaw, Chicago, 1925. 447 pages. \$5.00.

**Science in Modern Industry.** Vol. CXIX—The Annals. American Academy of Political and Social Science, Philadelphia, 1925. 158 pages.

**Economics for Helen.** By Hilaire Belloc. G. P. Putnam's Sons, N. Y., 1924. 222 pages, \$2.50.

**Business—A Profession.** By Louis D. Brandeis. Small, Maynard & Co., Boston, 1924 and 1925. 374 pages.

**Economics of Our Patent System.** By Floyd L. Vaughan, Ph.D. Macmillan, N. Y., 1925. 277 pages, \$2.50.

**Statistics as Applied in Business.** By Benjamin Franklin Young. Ronald Press, N. Y., 1925. 626 pages. \$5.00.

**The Retail Method of Inventory.** By Malcolm P. McNair, A.M. A. W. Shaw, Chicago, 1925. 138 pages. \$2.00.

**Applied Business Finance.** By Edmond E. Lincoln. A. W. Shaw, Chicago, 1923, revised 1924. 762 pages. \$4.00.

## Survey of Books for Executives

**Labor Policy of the United States Steel Corporation.** By Charles A. Gulick, Jr., Ph.D. Longmans, Green & Co. New York. 1924. 197 pages. \$2.00.

Here is a book by an instructor in economics, Columbia University, who finds little to commend in the labor policy of the United States Steel Corporation. In the minds of those who read it there will be little doubt but that the matter contained therein is so selected and presented as to prove, by innuendo or otherwise, that the corporation is not only "out of harmony with the spirit of the age" but guilty of many high crimes and misdemeanors.

In the preface considerable space is devoted to a controversy between the author and Mr. C. L. Close, Manager of the Bureau of Safety, Sanitation, and Welfare of the Corporation; Mr. Close being quoted as having stated that the work is "prejudiced, unfair to the Corporation, and in many instances not in accordance with the facts." The introduction deals with "Conditions in the Steel Industry prior to the formation of the Corporation," and its organization on March 2, 1901.

In the first chapter dealing with hours of labor, the author from information obtained from a 1911 report of the Bureau of Labor; the Interchurch World Movement report on the Steel Strike of 1919; and Investigation of Strike in Steel Industries, Senate Hearings, 1919; reached the following conclusion: 1. "On the bases of the available facts it is impossible to formulate conclusions of a desirable definiteness." 2. "The Corporation appears to have led the industry in eliminating the

seven-day week in spite of certain mentioned lapses." 3. "The Corporation lagged behind the smaller independents in abolishing the twelve-hour day," and 4. It "Has moved toward the reform of excessive hours only when business was poor or when the spirit of outside criticism was applied."

A chapter is devoted to the subject of wages. The author says that whatever may be true of the hours, working conditions, opportunity for advancement, etc., etc., the most vital part of the labor policy of industrial corporations—the central question is "How do they pay?" He then continues—"The writer is not interested in a comparison of the wages paid by the corporation with those paid by its competitors in the steel industry or with those paid in other industries. The more important comparison is that between wages and living costs." This from an instructor in economics—and then he asks, "Is not the refusal of such a combination to treat with its employees collectively through representatives of their own choosing, clearly out of harmony with the spirit of the age?" What connection is there between the "Cost-of-living" and "Collective-bargaining" in the establishments of wage rates, and what has either to do with the real factors governing wage?

Incidentally from the tables submitted, the corporation's "common labor rate," measured by the composite index of the Bureau of Labor Statistics at the latest report given (June, 1923), was 32½ points higher than the "cost-of-living" and since 1916 has been lower only twice (in 1921

and 1922). Also, as a point of interest, according to the National Industrial Conference Board, the weekly earnings of employees of the Iron and Steel Industry in comparison with all other industrial workers (and the corporation is not below the average) were in 1924 exceeded only by those in the printing and newspaper industry. Chapters three and four are devoted largely to criticisms of the corporation's attitude toward labor organization and the methods by which it is alleged to have secured and maintained a non-union organization. Considerable material is introduced to prove that Judge Gary's statement that, "we do not combat, though we do not contract or deal with labor unions as such" is not, to state it mildly, a matter of fact. The labor troubles between the corporation and labor organization are quite fully described up to, and including, the strike of 1919.

Two chapters are devoted to welfare. In these are described the welfare activities of the corporation. Welfare work is defined as doing things "for the comfort and improvement, intellectual and social, of the employees over and above wages paid which is not a necessity of the industry nor required by law." Following the description of the corporation's relief plan, which went into effect in 1910, the author says, "Though the Corporation is entitled to a great deal of credit for establishing the relief plan, it should not be forgotten that the subject of accident compensation had been for several years very much before the public eye, that state commissions all over the country were busy drafting laws at this time, and that a total of eleven states actually passed laws in 1911." Remember the corporation plan went into effect May 1, 1910.

Then follow more details of the corporation welfare program. Incidentally the accuracy of the statement issued by the corporation is questioned. "Even at that" continues the author "the Corporation has spent \$127,000,000 in its welfare work since 1911 and a good many million before that date," and then following is this com-

ment: "These, then, are the facts of the Corporation Welfare program; so many millions of dollars spent, so many lives saved through the Safety Campaign, so many men trained in various ways, so many installations of one sort or another. But the facts themselves are not sufficient. Why does the Corporation spend these millions? How does this program effect the daily lives of the Corporation's employees? In short what does it mean? To these questions and to others raised by the facts previously presented the next chapter attempts to make answer." The gist of the next chapter is contained in the sentence: "Despite the possible presumptuousness of adding other comments on a topic so fully covered, I summarize my conclusions on the character of the labor policy of the United States Steel Corporation in two words: paternalistic and autocratic,—paternalistic primarily in its welfare program, and autocratic in its method of fixing wages and hours and in handling grievances."

Is there any wonder that Mr. Close thought the work prejudiced, and unfair to the corporation?

A. K. LEWIS, *Director,  
Personal Service Division,  
The American Rolling Mill Co.*

**German Trade Associations. The Coal Kartells.** By Archibald H. Stockder. Henry Holt & Company, New York, 1924. 1v:254 pages. \$4.00.

The purpose of this book is to lay before the American public an exposition of the nature of the German Kartell and of its development and use in the coal industry of that country in order that the proposals for greater freedom of co-operations in the United States, may be more intelligently judged.

In Germany, the Kartell, the German counterpart of our Trade Association, has enjoyed an unhampered existence for about 50 years. In view of the recent court decision affecting trade associations

and their activities, this book will prove most interesting reading to the American business public.

**Protective Labor Legislation.** By Elizabeth Faulkner Baker. Longmans, Green & Co., New York, 1925. 459 pages. \$4.50

In this analysis of protective labor legislation in New York State the author goes deep into a discussion of the influence behind such legislation and of the attitude of the courts. As far as the courts are concerned such legislation has come up before it for consideration chiefly on constitutional grounds. Protective labor laws in this connection may be grouped into three general classes—laws restricting hours of labor, laws relating to wages, laws covering workmen's compensation.

"Workmen's compensation laws are the most recent type of legislation and have been increasingly sanctioned by the courts. Hour laws in so far as they have been applied to dangerous occupations have been generally upheld. In so-called non-dangerous employments they have fared much less uniformly, however, and constitutionality has often turned upon whether men or women were the objects of protection. Statutes limiting the working hours of women have been upheld more commonly than those for men. Acts relating to hours and wages have, for the most part, been declared constitutional when they have applied to public employees."

Precedent has been established by the high courts for nearly all types of statutes for the protection of industrial workers. But the courts are more often divided than united. The author, therefore, goes quite thoroughly into the decisions to give us a proper background for study of labor legislation as it affects women particularly.

It is in the matter of enforcement that the real problem lies. A substantial portion of the book is devoted to this subject. An interesting point brought out is the growing controversy among women

themselves as to the validity of special protective laws for, as the author points out, "it cannot be overlooked that many so-called protective laws based upon sex appear to serve only as a handicap for those very important minorities of women who have entered the ranks of skilled workers."

Students of labor problems will find this book valuable chiefly because of the facts it presents.

DANIEL BLOOMFIELD, *Director,*  
*Retail Trade Board, Boston.*

**Science in Modern Industry.** Edited by Joseph H. Willits. The Annals, Volume CXIX, May, 1925. v:162 pages.

There are six parts to this volume, namely:

1. The Partnership of Science and Industry.
2. Scientific Methods in Purchasing, Costs and Budgeting.
3. Production Management and Plant Engineering.
4. Personnel Research.
5. The Educational Work of Management Organizations.
6. Is Management Becoming a Profession?

There are articles on "The Development of Industrial Budgeting," by Howard Coonley; "Some Aspects of Personnel Research in a Manufacturing Organization," by J. W. Dietz; "Introducing the Practical Man to Modern Management," by H. S. Gilbertson; "Business Management and the Professions," by Henry S. Dennison.

**Man and His Affairs.** By Walter N. Polakov. Williams and Wilkins, Baltimore, 1925. 227 pages. \$2.50.

The author applies scientific methods to study the human being in relation to human affairs. He briefly sketches the chief points of human conduct, which "depends not merely upon *what man is* but also upon *what man thinks man is*"; and outlines



how man thinks about human affairs, how he expresses and misinterprets his thoughts." The book is an effort to suggest a new point of view from which to discover the scientific laws governing the forces of human activities. In the chapter on the "Human Class of Life" the author demonstrates that the "time-binding" power of man distinguishes him from the animal, and is the source of human invention, imagination, reasoning and progress. "The immediate, practical task before mankind . . . is to arrange . . . human affairs so that *each may fully develop his abilities and then attain happiness by exercising them.*" From being the observer, man has become the observed; "every act, no matter how trifling, how seemingly 'private' . . . carries the share of its influence into the *active* future and . . . it is the deepest concern of every time-binder how the human life will be adulterated, poisoned or brightened by such an act."

While all chapters in the book will interest the business executive, Chapter V on "Language, Logic and Destiny," Chapter VI on "Background," and the Appendix on "Making Work Fascinating," are particularly suggestive to business managers. Dr. Polakov points out that language not only transmits human ideas, experiences, dogmas and thus produces a field of influence; but that language excites human emotions, thoughts, doctrines, and has an important "back effect" upon human conduct.

In the appended chapter on "Making Work Fascinating as the First Step Toward the Reduction of Waste," Dr. Polakov reviews the industrial causes of monotonous work with the resultant alarming extent of industrial wastes. He discusses the characteristic features of Taylor's scientific management and the various types of financial and non-financial incentives to higher production. Among the latter he mentions the successful experiments of infusing interest into mechanical work tried in the glass industry, power plants,

foundries, pulp and paper mills, etc. "Creative activity is the final aim of human beings . . . Imperfect machines, inefficient methods, wasteful processes and monotonous operations are the result of the incomplete, restricted use of our creative capacities. . . *The greatness of a new industrial leader will lie in his ability to liberate the creative forces in men.*"

H. C. METCALF, *Director,*  
*Bureau of Personnel Administration.*

---

**Public Speaking for Business Men.** By Sidney F. Wicks. Frederick A. Stokes Company, New York, 1925. vi:199 pages. \$2.25.

This volume has been written out of many years' experience of public speaking and of teaching the art to others. The ideal aimed at is not platform rhetoric, but the logical, vivid and downright speech of the sincere man. Special chapters are devoted to the office of chairman and the art of debate.

---

**The Women's Garment Workers.** By Louis Levine, Ph.D. B. W. Huebsch. N. Y., 1924. 580 pages. \$5.00.

This history, written by arrangement for the International Ladies' Garment Workers' Union, will, as the introduction notes, "acquaint the second generation of our membership with the aims and achievements of their forerunners." But a public much larger than the 88,193 members of the "International" is interested in this exhaustive study of the ladies' garment workers' trades, and in the interpretation which it includes of union activities, union ideals, union discipline, relation to leaders, and attitude toward employers and toward the public. The public is interested in industrial disputes, their causes and their prevention. Such books as this are valuable and enlightening to every one who is concerned with industrial relations.

While the author tries to be impartial,

some bias is inevitable. For example, a clear statement of point of view of the "benevolent capitalists" at the beginning, as well as at the end, of the Cleveland strike of 1918 would have been significant. Again, the summary of the difficulties encountered in setting piece work prices in the Cleveland market is excellent, but no intimation is given that many individual plants have solved successfully some of the intricate problems of time study technique.

The history of the women's garment trades begins in 1860. The trades increased in importance about 1880, when the contract system became widespread. The contract shops, later known as "sweat shops," increased in number bringing their well-recognized evils. A number of unions were formed and dissolved between 1880 and 1900, particularly among the cloak makers. The American Federation of Labor granted a charter to the "International" on June 23, 1900, and for the next ten years the union had a stormy history. At one time it became involved in political disputes, and at another many of the locals fell under the influence of the I.W.W. Changes of leadership were frequent, the attitude of the locals to the International was so uncertain that more than once the International was on the point of giving up its charter. The strike of the New York shirtwaist makers in 1909 and of the cloak makers in 1910 which were organized by the International focussed popular attention on the unions, and on the condition of the strikers. The protocol, the outcome of the strike, existed from 1910 to 1916 and failed, because "the philosophy of community of interests and of arbitration by reason of which the protocol started out clashed with fundamental conflicting interests." Since 1916 the locals and the strong International have conducted several interesting industrial experiments in unemployment insurance, in establishing productive standards in industry, and in maintaining provisions for settling disputes.

The chapter on the new industrial situation outlines the new problems presented to union leaders by the tendency of the ladies' garment trades to leave the few large centers to which they have chiefly been confined for smaller communities, and by the growth of sub-manufacturing. The union is affected, as are manufacturers, by the changes in buying habits of the retailers, and by the high costs of distribution.

The International has found it necessary to meet the needs of its larger membership by various new activities, education, health centers, and Americanization. "The wider program of the International at present—may be stated as an acceptance of the ideal of a co-operative commonwealth in which production is motivated not by the seeking of profits but by the desire to serve the needs of the people." Among their activities leading to this ideal are the opening of the International Bank in New York, plans for establishing union-owned and union-managed shops, the participation of the International in the various political conferences aimed at the establishing of a labor party in the United States and liberal contributions to the funds of progressive labor.

The value of the strike as a means for uniting the discordant elements among the workers and for fixing the attention of the public on an industrial situation is emphasized throughout the book. The author is apparently not sanguine as to the value of arbitration. Recognizing this point of view the reader understands better why the late Mr. Gompers insisted that the right of the workers to strike is one which must under no circumstances be lost.

The author's decision not to emphasize the personal element of the story is to be regretted. The early history of the trade union movement was influenced profoundly by personalities. More biographical details of the leaders would have added a certain human interest to the book which it now lacks, and would have given it

a wider circulation in a generation of readers avid of personal reminiscences. The Index of Names in the appendix is a commendable feature, and might well be enlarged in subsequent editions to include more details.

The volume is a valuable contribution to the constantly growing list of books on the labor movement interpreted by labor leaders themselves.

LOUISE MOORE,

*Employment Service Manager,  
Dutchess Manufacturing Company.*

---

**J. Ramsay MacDonald (1923-1925).** By Iconoclast. Thomas Seltzer. New York. 1925. 191 pages. \$2.00.

If the American motion picture producers, whose output is said to have driven many former English film stars into the ranks of the dole seekers, overlook this book, all this reviewer can say for them is that they are not as enterprising as they are reputed to be. For *Iconoclast* has dramatized the recent labor administration in England in a way that turns that brief political episode into a thrilling human interest story of the elevation and downfall of one man. The causes of the labor débâcle in the election of 1924 are traced through the earlier stages of the drama and fitted into their proper places in the final catastrophe with a degree of skill and care that somehow reminds one of an ancient Greek tragedy.

*Iconoclast* takes up the story with the 1923 election and the assumption of power by Ramsay MacDonald as the leader of a minority party dependent for office upon the good-will of the Liberals. Then is described the Labor Premier's rapid gain in popularity and prestige until, "by the summer of 1924, the view that his was the dominating mind in Europe was an accepted commonplace."

But this triumph was destined to continue for only a brief period. As contributing causes for the defeat of the Labor party in the election of 1924, *Iconoclast*

lists MacDonald's aloofness and isolation, the Russian treaties, the unemployment situation, the housing crisis, the Campbell case, the Zinoviev letter, and the unlucky gift of a motor car by a capitalistic admirer. But the final push toward the defeat was given by MacDonald himself. Worn out by a campaign tour unwisely planned by his associates, and harassed by the abuse of opposition speakers, the Prime Minister for a moment lost his poise and struck back at his tormentors after this fashion: "Why, instead of having a great battle on a political principle, do they go about sniffing like mangy dogs on a garbage heap?"

To an American reader, hardened to repartee of the Hylan-Craig variety, this does not sound so very awful. But England expected something different from the Prime Minister, First Lord of the Treasury and Foreign Secretary. MacDonald's invective was greeted with cheers from his audience, but when the British voter read it with his breakfast marmalade the next morning, it didn't look so good. MacDonald had knocked off his own halo. From that time his opponents were not limited to disliking his policies; they could hate him without scruples of conscience. His doom was sealed.

The writer who uses the pseudonym *Iconoclast* is in real life Mary Agnes Hamilton, assistant editor of the *New Leader*, and one of the "intellectuals" prominent in the ranks of the Labor party. She has written among other things several books on the British labor leaders, including a biography of Ramsay MacDonald to which the new volume serves as a sort of sequel. Her literary style is as good as that of MacDonald himself (and that is saying a very great deal), and in addition she has a spriteliness and a sense of humor which would be worth much if possessed by the serious-minded leader of the English Labor party.

E. S. COWDRICK.